

ALLTEL CORPORATION

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July 20, 2001

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Re: Streamlined ARMIS 43-04 Report
CC Docket No. 80-286

The Common Carrier Bureau Seeks Comment on Proposed Streamlined ARMIS
43-04 (Jurisdictional Separations) Report.

Dear Ms. Salas,

Enclosed for filing by ALLTEL Communications Inc. please are an original and
four copies of its Comments in the Streamlined ARMIS 43-04 proceeding referenced
above. Should there be any questions regarding this matter, please contact the
undersigned counsel.

Sincerely,

David C. Bartlett
ALLTEL Corporation
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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of)
)
Common Carrier Bureau Seeks Comment on) CC Docket No. 80-286
Proposed Streamlined ARMIS 43-04)
(Jurisdictional Separations) Report)

**COMMENTS
OF
ALLTEL COMMUNICATIONS, INC.**

ALLTEL Communications, Inc., on behalf of its local exchange carrier affiliates (hereinafter "ALLTEL" or the "ALLTEL Companies") respectfully submits its comments in response to the Federal Communications Commission's (the "Commission") June 22, 2001 Public Notice in the above-captioned proceeding. In the Notice, the Commission seeks comments on how the proposed modifications to ARMIS Report 43-04 would streamline the ARMIS reporting process.

The Commission recently adopted the recommendation of the Federal-State Joint Board which imposed an interim freeze of certain jurisdictional cost categories and allocation factors. This decision provides an opportunity to review and revamp the current separations reporting requirements.¹ ALLTEL strongly supports the Commission's ongoing commitment to streamlining regulatory obligations that are inefficient and unnecessary in today's competitive communications environment.

Implementing less burdensome and less costly reporting requirements for the telecommunications industry has been a common objective of the Commission and the carriers since passage of the Telecommunications Act of 1996. In December of 2000, ALLTEL filed

¹ Common Carrier Bureau Seeks Comment on proposed Streamlined ARMIS 43-04 (Jurisdictional Separations) Report, Public Notice, DA 01-1496 (rel. June 22, 2001).

comments commending the Commission's efforts to reduce the regulatory burdens imposed on mid-sized ILEC's. As a means to that end, ALLTEL recommended that the Commission revise its Part 32 definition of "mid-size ILEC." The revised definition would authorize true Class B treatment for all mid-sized ILECS that are either part of a holding company with fewer than two percent of the access lines installed in the aggregate nationwide, or carriers that have aggregated ILEC revenues equal to or less than seven (7) billion dollars.

The effect of this revision would eliminate all ARMIS reporting for ILEC's that qualify as Class B carriers under the revised definition. The Commission has already recognized that mid-sized ILEC's qualify for reduced regulation based on their different needs and circumstances, but has yet to allow qualifying ILECs to report as true Class B carriers.² While ALLTEL continues to endorse the definitional revision of "mid-sized ILEC" and will continue to encourage the Commission to review the classification of mid-sized carriers in the CAM and ARMIS context, the current effort to streamline ARMIS Report 43-04 is a positive step for which the Commission should be commended. However, the continued treatment of mid-sized carriers such as ALLTEL as Class A carriers for accounting purposes saps valuable administrative and accounting resources that could be better deployed elsewhere.

Short of total relief of ARMIS reporting requirements for mid-sized ILECs, ALLTEL supports the consolidation of ARMIS reports 43-01, 43-02 (Schedules B1 and B11), 43-03 and

² 2000 Biennial Regulatory Review. Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2 and Phase 3, Notice of proposed Rulemaking, CC Docket 00-199, FCC 00-364, par. 80 (rel. October 18, 2000).

43-04 into a single report 43-00. Consolidation of these reports into a single report would reduce the number of pages to be filed from 191 to five and reduce the Part 69 reporting categories currently contained in report 43-01 from sixteen to six. At the same time the consolidation would achieve a Class B level of detail envisioned by the Commission in their Phase 2 accounting requirements review.³ This consolidation would not eliminate reportable data, rather it would parse out duplicative information that is available in other external reports, reports for which the ALLTEL Companies have an established track record. The format of the proposed single report (43-00) would remain consistent with the current ARMIS financial reports while reducing the volume and complexity of the filing significantly.

The Commission's decision to impose an interim freeze of certain jurisdictional cost categories and allocation factors should simplify the reporting requirements imposed on certain ILECs. The Common Carrier Bureau should take this opportunity to consolidate and eliminate duplicative and outmoded reports in order to improve economic efficiency for ILECs.

Respectfully submitted,

ALLTEL Communications, Inc.

By: 

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July 20, 2001

³ Commission Seeks Further Comment in Phase 2 of the Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers, Public Notice, DA-01-1403 (rel. June 8, 2001).